

**Loans to agriculture sector**

†601. DR. MURLI MANOHAR JOSHI:  
SHRI RAVI SHANKAR PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the loan requirement in the agriculture sector of the country is being met through Government financial institutions, banks and the loan providers of the private sector;

(b) if so, the annual average percentage of requirement being met through the private and Government sectors separately; and

(c) the average interest rate of above every loan provider sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Agricultural Credit requirements of farmers are being met by a wide range of sources including government financial institutions, banks, loan providers from the private sector as well as their own resources. The private lending to agriculture is not captured by the information system of NABARD and RBI. However, it has been observed from the situation assessment survey of farmers indebtedness of farmer households conducted by the National Sample Survey Organisation, in respect of the position during January to December 2003 that 57.6% of the loans are sourced from Government Sector (government, cooperatives and banks) while 42.4% of the loans are sourced from private sector (professional money-lenders, traders, relatives and others).

(c) All Public Sector Banks and Regional Rural Banks are providing Short Term Agricultural Credit (STC) to farmers at a rate of interest of 7% p.a. As regards Cooperative Banks, some are lending at rates above 7%, some at 7% and a few in states where the State Governments are providing interest subvention at rates below 7%. Now, after the recent government decision to provide 2% interest subvention to the Cooperative Banks on STC lending from their own resources in addition to enhanced refinance at a concessional rate of 2.5% p.a. from NABARD, the cooperative banks who have lent at higher rates are expected to revise the rates downwards to 7% p.a.

---

†Original notice of the question was received in Hindi.